

Message Text

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ACTION EB-08

INFO OCT-01 EA-12 ISO-00 STR-07 STRE-00 SP-02 ICA-20
AID-05 NSC-05 TRSE-00 SS-15 OMB-01 CEA-01 CIAE-00
FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04
SIL-01 L-03 H-02 /108 W
-----096469 042150Z /65

R 040620Z APR 78

FM AMEMBASSY TOKYO

TO USDOC WASHDC

INFO SECSTATE WASHDC 6754

UNCLAS TOKYO 05578

ALSO PASS STR ELECTRONICALLY

E.O. 11652: NA

TAGS: ETRD, JA

SUBJECT: VOLUNTARY EXPORT CONTROL: NC LATHES AND
MACHINING CENTERS

SUMMARY. ACCORDING TO LOCAL PRESS, GOJ CABINET HAS
APPROVED AMENDMENTS TO THE EXPORT AND IMPORT TRANSACTION
LAW IN ORDER TO LIMIT EXPORTS OF NUMERICALLY-CONTROLLED (NC)
LATHES AND MACHINING CENTERS TO THE UNITED STATES AND
CANADA BY NON-MEMBERS OF THE PRESENT JAPANESE CARTEL.

1. RESPONDING TO THE REQUEST OF MITI TO CONTROL THE
PRICE AND EXPORT LEVELS OF NC LATHES AND MACHINING
CENTERS, THE GOJ CABINET APPROVED AMENDMENTS TO THE EXPORT
AND IMPORT TRANSACTION LAW THAT WOULD REQUIRE ALL
MANUFACTURERS AND EXPORTERS OF NC LATHES AND MACHINING
CENTERS TO APPLY FOR EXPORT LICENSES. BACKGROUND FOR
THIS AMENDMENT, BASED ON CONVERSATION WITH INDUSTRY
SOURCES, IS THAT THE JAPANESE MACHINE TOOL BUILDERS
ASSOCIATION (MJTBA) FORMED A CARTEL IN NOV. 1977 TO LIMIT
EXPORTS TO U.S. IN RESPONSE TO GROWING COMPLAINTS OF
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RAPID IMPORTS FROM U.S. MANUFACTURERS. A PROBLEM
AROSE IN THAT 30 PERCENT OF THE LOCAL MANUFACTURERS WOULD
NOT JOIN THE CARTEL AND MJTBA WAS FEARFUL THAT THESE
FIRMS WOULD RENDER THE EXPORT CONTROL OBJECTIVES
INEFFECTIVE. ANOTHER PROBLEM WAS TO ESTABLISH A CONTROL
SYSTEM WHEREBY JAPANESE FIRMS WOULD NOT BE ABLE TO
EXPORT MACHINERY OUTSIDE OF THE DEFINITION OF "CARTEL

PRODUCTS" WHICH COULD BE ASSEMBLED IN THE U.S. INTO NC LATHES WITH NUMERICAL CONTROLS PROCURED IN THE U.S. AS A RESULT, JMTBA CONSULATED WITH MITI TO AMEND THE EXPORT AND IMPORT TRANSACTION LAW TO COVER ALL EXPORTERS OF THESE PRODUCTS.

2. THE NEW VOLUNTARY EXPORT CONTROL PROGRAM BECAME EFFECTIVE ON MARCH 27, 1978 AND IT COVERS THE FOLLOWING COMMODITIES: NC LATHES, MACHINING CENTERS (BOTH VERTICAL AND HORIZONTAL TYPES), NUMERICAL CONTROLS USED THEREFORE, AND ACCESSORIES. MANSFIELD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ALLIANCE, EXPORT CONTROLS, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO05578
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780145-1036
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780493/aaaadavs.tel
Line Count: 73
Litigation Code IDs:
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Litigation History:
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Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3075523
Secure: OPEN
Status: NATIVE
Subject: VOLUNTARY EXPORT CONTROL: NC LATHES AND MACHINING CENTERS SUMMARY. ACCORDING TO LOCAL PRESS, GOJ CABINET HA
TAGS: ETRD, JA
To: COM
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/380d7db6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014